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**JAMES C. BATES**  
PARTNER  
BATON ROUGE OFFICE

DATE RECEIVED 8/17/06	
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106 HEYMANN BOULEVARD P. O. BOX 53319 LAFAYETTE, LOUISIANA 70505-3319 TELEPHONE (337) 237-5900 FAX (337) 233-9095	

*ck #4305 att*

August 17, 2006

Hon. James H. Welsh  
Commissioner of Conservation  
P. O. Box 94275  
Baton Rouge, Louisiana 70804

Re: Upper Bathysiphon Sand, Reservoir C, and 2<sup>nd</sup>  
Bathysiphon Sand, Reservoir D, in the North  
Chalkley Field, Calcasieu and Jefferson Davis  
Parishes, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of Yuma Exploration and Production Company, Inc. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the Upper Bathysiphon Sand, Reservoir C, and 2<sup>nd</sup> Bathysiphon Sand, Reservoir D, in the North Chalkley Field, Calcasieu and Jefferson Davis Parishes, Louisiana:

**Upper Bathysiphon Sand, Reservoir C**

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Upper Bathysiphon Sand, Reservoir C, North Chalkley Field, Calcasieu and Jefferson Davis Parishes, Louisiana;
2. To create a single drilling and production unit for the Upper Bathysiphon Sand, Reservoir C, designated as the UBATH RC SUA, as shown on the plat attached hereto;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;

4. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
5. To consider such other matters as may be pertinent.

The Upper Bathysiphon Sand in the North Chalkley Field was previously defined in Office of Conservation Order No. 687-C-2, effective October 23, 2001.

**2nd Bathysiphon Sand, Reservoir D**

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the 2nd Bathysiphon Sand, Reservoir D, North Chalkley Field, Calcasieu and Jefferson Davis Parishes, Louisiana;
2. To create a single drilling and production unit for the 2nd Bathysiphon Sand, Reservoir D, designated as the 2ND BATH RD SUA, as shown on the plat attached hereto;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
4. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of a public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
5. To consider such other matters as may be pertinent.

The 2nd Bathysiphon Sand in the North Chalkley Field was previously defined in Office of Conservation Order No. 687-B-2, effective October 23, 2001.

The pre-application conference was held as scheduled on August 10, 2006. In attendance were the parties shown on the attached attendance list. The conference was opened by the undersigned and turned over to Jim Hardwick, consulting geologist for the applicant, who discussed the bases of the applicant's proposal and answered questions concerning same. No counterplans were presented, although some opposition was expressed. As a result of discussions at and after the conference a compromise has been reached with some of the parties expressing opposition. The plats

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Commissioner of Conservation  
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attached hereto reflect this compromise proposal. At this time, no opposition is expected at the hearing.

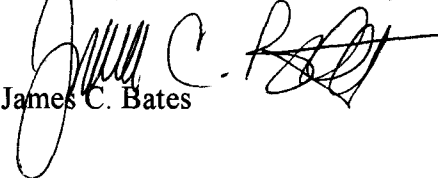
In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice and unit plat in a prominent place in the area of North Chalkley Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of North Chalkley Field at least fifteen (15) days before the hearing date.

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from James F. Hardwick & Associates, P. O. Box 80972, Lafayette, Louisiana, 70598-0972, (337) 232-7756.

Enclosed to the Commissioner of Conservation and District Manager **ONLY** is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this notice is being sent. Copies of this list will be provided upon request. Also enclosed is a copy of the plat showing the proposed unit. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS & BATES, L.L.P.

  
James C. Bates

JCB/cmf  
encls.

cc: Mr. Richard Hudson  
District Manager

Interested Parties  
Interested Owners  
Represented Parties

